

EXHIBIT 16

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
DALIA GENDER, as Trustee of the
Orly Genger 1993 Trust,

Plaintiff,

v

Civil Action
No. 6906-CS

TR INVESTORS, LLC. GLENCLOVA INVESTMENT:
CO., NEW TR EQUITY I, LLC, NEW TR
EQUITY II, LLC, TRANS-RESOURCES, INC.,
and TPR INVESTMENT ASSOCIATES, INC.,

Defendants.

TR INVESTORS, LLC, GLENCLOVA INVESTMENT:
CO., NEW TR EQUITY I, LLC, NEW TR
EQUITY II, LLC, and TRANS-RESOURCES,
INC.,

Counterclaim and Crossclaim
Plaintiffs,

v

DALIA GENDER, as Trustee of the
Orly Genger 1993 Trust,

Counterclaim Defendant,

and

TPR INVESTMENT ASSOCIATES, INC.,

Crossclaim Defendant.

Thursday, August 1, 2013
10:05 a.m.

BEFORE: HON. LEO E. STRINE, JR., Chancellor.

STATUS CONFERENCE AND RULINGS OF THE COURT

CHANCERY COURT REPORTERS
New Castle County Courthouse
500 North King Street - Suite 11400
Wilmington, Delaware 19801
(302) 255-0523

1 HELD AT:

2 Chancery Court Conference Room
3 New Castle County Courthouse
4 500 North King Street
5 Wilmington, Delaware

6 - - -

7 APPEARANCES:

8 JEREMY D. ANDERSON, ESQ. (Telephonically)
9 JOSEPH B. WARDEN, ESQ.
10 Fish & Richardson P.C.
11 for Plaintiff/Counterclaim Defendant Dalia
12 Genger

13 THOMAS J. ALLINGHAM, II, ESQ.
14 DOUGLAS D. HERRMANN, ESQ.
15 Skadden, Arps, Slate, Meagher & Flom LLP
16 for Defendants/Counterclaim and Crossclaim
17 Plaintiffs TR Investors, LLC, Glenclova
18 Investment Co., New TR Equity I, LLC, New TR
19 Equity II, LLC and Trans-Resources, Inc.

20 AMY M. DUDASH, ESQ.
21 Morgan, Lewis & Bockius LLP
22 -and-

23 JOHN DELLAPORTAS, ESQ.
24 of the New York Bar
Morgan, Lewis & Bockius LLP
for Defendant/Crossclaim Defendant TPR
Investment Associates, Inc.

- - -

1 THE COURT: I appreciate everybody
2 being here on this beautiful morning. I am trying to
3 understand the remaining mysteries of the Genger
4 family that relate to state of Delaware. I have
5 absolutely no interest -- I'm not saying that in a
6 cold way, but I have no professional or personal
7 interest in other mysteries of the Genger family.

8 I'm not getting it. And what I mean
9 is, there's something behind the curtain here that's
10 going on. And part of what I need to understand, for
11 example, with the Orly Trust, is whether the mother
12 has some residual interest economically in the trust.
13 I understood the adversity before of -- to the extent
14 that Orly was aligned with her father, and I thought
15 one of the concerns about the suit brought by Dalia
16 was that Dalia was -- I think Dalia is the mother, as
17 I recall -- that Dalia was essentially aligned with
18 Sagi; was, in fact, not really bringing the lawsuit in
19 good faith on behalf of the beneficiary of the trust,
20 who was her daughter, but because the mother and the
21 son were in a sad rift with the father and daughter.

22 So that was perhaps my confusion, but
23 if I could understand what's going on. Because I had
24 some modest hope, to be honest, that when Arie Genger

1 and Orly Genger resolved their disputes with the Trump
2 Group, that this would all go away.

3 Now, it may be that the Genger family
4 are united in their love of our profession, and what
5 they wish to do is simply pay lawyers to the end of
6 time. But we will be done with this case and it will
7 be done rapidly. But before we get going on a case, I
8 want to know what's going on.

9 And I don't mean -- don't tell me
10 technical terms. Tell me who, flesh and blood, wants
11 money from someone else in their family.

12 MR. ALLINGHAM: Why don't I start,
13 because I think I actually can start and then step
14 back. I think our position -- Tom Allingham for the
15 Trump Group. Our position -- and this is actually
16 pretty simple. When Dalia, on behalf of the Orly
17 Trust, filed the declaratory judgment in this court
18 seeking an order that she owned, beneficially owned
19 the Orly Trust shares, we counterclaimed saying that
20 the Trump Group beneficially owned the Orly Trust
21 shares, record ownership having already been decided.

22 And from our perspective, no Court has
23 ever issued an order saying that the Trump Group has
24 beneficial ownership of the Orly Trust shares. I

1 think it flows as the night to day from other orders,
2 but that's the position that we're in.

3 And so we currently --

4 THE COURT: But is it your
5 understanding -- and I want to get everybody's
6 understanding -- that when Dalia filed this on behalf
7 of the Orly Trust --

8 MR. ALLINGHAM: Correct.

9 THE COURT: She was -- she is the
10 trustee of the Orly Trust?

11 MR. ALLINGHAM: She's currently the
12 trustee of the Orly Trust. I think one complicating
13 factor, Your Honor, is that there is -- and I'll let
14 Mr. Dellaportas speak to this -- but there is an
15 argument that the Sagi Trust or some members of Sagi's
16 family have a residual interest in the Orly Trust.

17 THE COURT: Well, has anybody -- have
18 you seen the Orly Trust?

19 MR. ALLINGHAM: I'm sorry?

20 THE COURT: Have you seen the terms of
21 the Orly Trust?

22 MR. ALLINGHAM: No.

23 THE COURT: Okay. Tomorrow, everybody
24 will see the terms of the Orly Trust. So this is like

1 Dalia wasn't really representing Orly -- or as --

2 MR. ALLINGHAM: No. I think Dalia was
3 representing the Orly Trust, and I think Dalia -- I'll
4 talk about flesh and blood people. It is my
5 understanding that Dalia was concerned that Orly was
6 being dominated by her father.

7 THE COURT: Okay.

8 MR. ALLINGHAM: And so Dalia was
9 trying to protect the interests of the Orly Trust and
10 its primary beneficiary, Orly Genger.

11 THE COURT: But the argument in the
12 papers, as I reread the thing, was I gave up stuff in
13 the divorce so my child could have an inheritance.

14 MR. ALLINGHAM: That is one of the
15 claims, yes.

16 THE COURT: And that -- you know, this
17 is all part of the redo the divorce thing. But that's
18 a strange -- I mean if the child of hers was
19 benefiting from that trust, for example, if the
20 idea -- I don't know when the trust terminated.
21 Again, everybody's doing, you know, their little --
22 nobody knows what's going on.

23 It seems a little strange that it
24 was -- it maybe was Dalia was genuinely inspired by a

1 loyalty to Orly. As I recall, Orly, through counsel,
2 expressed the idea that this was not a lawsuit that
3 she was all that hep on, and I believe argued that it
4 was -- yeah. I think there was even concerns about
5 collusion at some point; that it was really a
6 collusive move with Sagi -- and in fact, your
7 clients -- to get a lay-down judgment by, you know,
8 putting into a court that had already ruled on the key
9 issue the question, and then getting essentially
10 another decision.

11 MR. ALLINGHAM: That argument was
12 made.

13 THE COURT: Have your clients -- I
14 mean who has spoken to who? Have you spoken --

15 MR. ALLINGHAM: We've all spoken, and
16 I -- it may be that John Dellaportas, who is here
17 representing the Sagi Trust, might --

18 THE COURT: Well, who's
19 representing --

20 MR. ALLINGHAM: I'm sorry. TPR.

21 MR. DELLAPORTAS: I'm here, Your
22 Honor, pro hac vice for TPR. Mr. Connolly is out of
23 the country this week, so I'm --

24 THE COURT: And TPR is controlled by

1 Sagi?

2 MR. DELLAPORTAS: Yes, sir. He's the
3 president, yeah.

4 THE COURT: Well, does anybody else
5 own any stock in it?

6 MR. DELLAPORTAS: The company is 99
7 percent owned by the Sagi Genger 1993 Trust, of which
8 Sagi Genger is one of several beneficiaries.

9 THE COURT: Who are the others?

10 MR. DELLAPORTAS: His five children.

11 THE COURT: Okay. That's basically
12 his line?

13 MR. DELLAPORTAS: Uh-huh. Yes, Your
14 Honor.

15 THE COURT: Okay.

16 MR. DELLAPORTAS: There's an
17 independent trustee.

18 THE COURT: So what's going on with
19 the family?

20 MR. DELLAPORTAS: Okay. Your Honor, I
21 mean we're here today -- not to speak in legal terms.
22 As you asked, just cut to the chase. And I've been
23 with these litigations for about -- the litigations
24 have gone on for about 12 years, Your Honor. I've

1 only been for the last three years, so I can't say
2 that I've captured everything.

3 THE COURT: The litigations within the
4 Genger family?

5 MR. DELLAPORTAS: Yes. Yes, Your
6 Honor. But I think I have insight into a lot of
7 what's going on.

8 So from our standpoint, we're a
9 corporate entity, TPR. We sold 1100 shares to -- of
10 TRI to the Trump Group conditioned on there being a
11 finding that the Orly Trust is not the beneficial
12 owner.

13 At a certain point, we made a demand
14 for the \$11 million. The escrow agent, who is another
15 law firm in New York, got a competing demand from
16 someone else and deposited it in an interpleader with
17 Judge Keenan in the Southern District of New York.

18 Judge Keenan said there's no
19 interpleader jurisdiction because there's no real
20 competing claims on the funds. This case is very
21 simple. There's only one of two possibilities:
22 Either, number 1, the transfer of those shares -- the
23 original transfer of those shares to the Orly Trust is
24 valid, in which case the Orly Trust keeps the shares

1 and the Trumps get their money back; or the transfer
2 is invalid, in which case TPR had the right to sell
3 it, and did sell it, to the Trump Group, and TPR gets
4 their money.

5 But then Judge Keenan said, "But it's
6 not for me to decide who has beneficial ownership and
7 whether the original transfer was valid or invalid."
8 A state court should do that. And so he basically
9 dismissed the interpleader case.

10 So where we are now is we need a
11 finding of beneficial ownership, whether it be the
12 Orly Trust or whether it be the Trump Group. So --

13 THE COURT: Now, I -- you know, I kind
14 of get that.

15 MR. DELLAPORTAS: Yeah.

16 THE COURT: You need -- as in this is
17 a law school hypothetical, and this is compelling redo
18 of something that's already done? I'm talking about
19 human flesh and blood. What is going on? Orly
20 stepped out of this; right?

21 MR. DELLAPORTAS: Yes. Orly has
22 settled with the Trump Group and is still suing her
23 brother and her mother in various forms, and TPR.

24 THE COURT: And so the mother, as

1 you -- I want to get your understanding.

2 MR. DELLAPORTAS: Okay.

3 THE COURT: The mother is suing on
4 Orly's behalf while the mother is suing Orly
5 elsewhere, and vice versa? But she's suing on behalf
6 of Orly's trust even though Orly has definitively
7 renounced her interest to any assets of the trust?

8 MR. DELLAPORTAS: I don't think that
9 Orly -- Orly has definitively renounced her interest
10 to any claims against the Trump Group. And I
11 believe -- although she has not shown the settlement
12 agreement, that's one of the things we're trying to
13 get to the bottom of. But there's been allusions in
14 some of the pleadings filed in New York that Orly has
15 also renounced her claim to the beneficial ownership
16 of the shares, and she did that in the context of a
17 derivative suit she brought on behalf of the Orly
18 Trust.

19 So one of the things we were hoping to
20 see is that settlement agreement, because if she took
21 actions derivatively on behalf of the trust which have
22 been approved by the Court, we think that resolves
23 this case automatically.

24 THE COURT: And is Mr. Anderson on the

1 phone?

2 MR. ANDERSON: Yes, Your Honor. I'm
3 on the phone.

4 THE COURT: You purport to represent
5 Ms. Dalia Genger?

6 MR. ANDERSON: I don't purport to
7 represent her, Your Honor. I do represent Dalia
8 Genger.

9 THE COURT: Okay. Dalia Genger
10 purports to represent her daughter's best interest in
11 this?

12 MR. ANDERSON: Yes, Your Honor.

13 THE COURT: She claims her daughter is
14 incompetent?

15 MR. ANDERSON: No. Not at all, Your
16 Honor. Actually --

17 THE COURT: So, Mr. Anderson, explain
18 what's going on. Because it's -- again, something's
19 got to start making sense to me.

20 MR. ANDERSON: Sure. I spoke with my
21 client, Your Honor, yesterday in anticipation of this
22 phone call, and as Mr. Allingham said -- first of all,
23 I'll speak in terms of flesh and blood. My client
24 Dalia really is acting as the trustee and wants to act

1 in the best interests of her daughter here. She wants
2 her daughter, Orly, to get the best deal possible for
3 the price of her shares, and she's trying to do
4 everything she can in her power, you know, to act in
5 Orly's best interest here.

6 THE COURT: So she --

7 MR. ANDERSON: We don't know --

8 THE COURT: Okay. Pause for a second.
9 She is now -- so she is now in a position adverse to
10 her son?

11 MR. ANDERSON: In this action?

12 THE COURT: Well, and in general;
13 right?

14 MR. ANDERSON: I -- yes, Your Honor.

15 THE COURT: So this is a change of her
16 alignment?

17 MR. ANDERSON: I don't understand, you
18 know, all of the history of the case as well as
19 Mr. Allingham and Mr. Dellaportas understand it, but
20 she's seeking to act in the best interests of her
21 daughter here.

22 THE COURT: Well, right. But this
23 isn't -- I'm not sure that you've been -- I mean,
24 look. If you're a magic man we're all going to be

1 happy, because if you can turn this into something
2 where the Trump Group gets what it wants, Sagi gets
3 what he wants, and your client gets what she wants on
4 behalf of her daughter, then you've found a way to
5 have money reproduce itself.

6 MR. DELLAPORTAS: Your Honor --

7 THE COURT: This is a zero sum game.
8 The Trump Group is not going to -- they paid for
9 something. They -- they're going to -- you know,
10 they're going to get money back or they're going to
11 get control of the shares. And there's proceeds, and
12 they're either going to go to TPR or they're going to
13 go to the Orly Trust.

14 You know, if she wants to -- your
15 client wants to have, Mr. Anderson, a family
16 meeting -- because she's been betwixt and between and
17 her loyalties within the family are constantly
18 shifting -- that's one thing. But you got to
19 understand, this is a profoundly strange context to be
20 in here. That's why I'm confused.

21 MR. DELLAPORTAS: I can --

22 THE COURT: Because I thought this
23 action would go away as soon as Orly and everybody
24 worked out. Because if Sagi -- I assume what you're

1 saying, Mr. Dellaportas, is if there's no claim from
2 the Orly Trust, this all is kind of worked out. But
3 the only holdup here is certainty, right? That the
4 Trumps don't want to relinquish -- there's a claim on
5 the money until somebody knows who gets it, because --
6 and nobody wants to play chase the money. Is that
7 correct?

8 MR. DELLAPORTAS: Well, Your Honor, I
9 think that the sale isn't complete until there's a
10 finding of beneficial ownership in favor of the
11 Trumps.

12 THE COURT: Yeah. It's either a
13 finding or people agree on something; right?

14 MR. DELLAPORTAS: And that's what I'd
15 like to address, Your Honor. Because you asked about
16 the alignment. Sagi and his mother are still
17 friendly. There's been no non-alignment.

18 At a certain point in time after a
19 settlement with Orly directly proved unfeasible, after
20 talks and talks and talks, TPR and the Orly Trust did
21 enter into a settlement agreement which provided that
22 TPR would get releases, and TPR actually was going to
23 assign over the proceeds, the \$10.3 million under the
24 settlement agreement, to the Orly Trust. And we

1 thought that was going to be the end of things.

2 Orly objected and moved to the Supreme
3 Court to void it on the ground that it violated a
4 preliminary injunction that had been issued. We
5 disagreed.

6 The New York Supreme Court, somewhat
7 surprisingly, in our view, found in favor of Orly and
8 voided the settlement agreement by which TPR had
9 agreed to assign the \$10.3 million of proceeds to the
10 Orly Trust.

11 We've now appealed that to the New
12 York Appellate Division. We asked for a stay pending
13 appeal, which was denied. And the Orly Trust -- and
14 Orly personally is opposing that.

15 THE COURT: On what ground?

16 MR. DELLAPORTAS: Well, it's a bit --

17 THE COURT: On the fact that people
18 have been so hurtful to each other and have hardened
19 into alliances for so long that common sense entirely
20 goes out the window?

21 MR. DELLAPORTAS: We --

22 THE COURT: I mean because the point
23 is -- Mr. Anderson, is that true? Is your client
24 still willing to do this?

1 Are TPR and Dalia Genger still willing
2 to do this?

3 MR. DELLAPORTAS: Yes, Your Honor,
4 except that we were -- just to be clear, not only was
5 the settlement agreement voided, but we were
6 sanctioned by -- for entering into a settlement
7 agreement. And so now we're in a position where --

8 THE COURT: Well, but here's the
9 reason why -- I don't have to waste the judicial
10 resources of the State of Delaware or the Trump Group
11 on people who want to hurt each other irrationally
12 before there's been process. One of the things that
13 never has occurred here -- which I think everyone
14 understands to probably be an indisputable reality but
15 is not a matter of record -- is that Orly Genger was
16 fully a part of all the proceedings here before.

17 She was a trial witness. She was
18 represented by her father and his lawyers. They
19 sought relief affirmatively on her behalf. She is a
20 very intelligent person. She is a gifted artist. She
21 knows her own mind. And that may be one of the things
22 that is legitimately hacking her off, is that people
23 are treating her like she's three.

24 But the idea that the people of

1 Delaware have to waste precious resources, like our
2 court reporters, law clerks, court clerks, register's
3 time, because a New York-based family is engaged in
4 nihilistic, hateful behavior towards each other --
5 which is undoubtedly personally painful, and it's
6 regrettable to see -- I don't get that.

7 One of the things, has anybody gone
8 back -- now that Orly has dropped her things, has
9 anybody gone back since the recent things and seen
10 whether you can get the New York thing undone?
11 Whether, if Orly signs on -- who is Orly's counsel
12 now?

13 MR. DELLAPORTAS: She has four
14 separate law firms, but --

15 THE COURT: Is Mr. Alan Stone still
16 involved?

17 MR. ALLINGHAM: No.

18 THE COURT: Didn't he used to be?

19 MR. ALLINGHAM: Yes. Briefly.

20 MR. DELLAPORTAS: That predates me.

21 THE COURT: Well, Allen is a person
22 that members of this court respect. He was a lawyer
23 for many years at Morris Nichols, and joined the New
24 York bar.

1 Who is lead counsel for Orly now?

2 MR. DELLAPORTAS: She has two New York
3 firms, one is called Zeichner Ellman and the other is
4 Wachtel Missry. Not the Wachtell Lipton firm.
5 Another Wachtel firm.

6 THE COURT: That's not just a nickname
7 that litigants gave it? I direct that this transcript
8 be sent directly to Marty, and "Wachtell Misery" is
9 the new name.

10 Okay. Because I'm not really getting
11 it. Like -- okay. So she's hacked off enough that
12 she wouldn't want \$10.6 million in her trust, or is it
13 the following: She doesn't want Mommy as her trustee
14 anymore?

15 MR. ALLINGHAM: It's a little hard to
16 speak for Orly, but --

17 THE COURT: Well, but what I'm saying
18 is -- you know, you all are going to have me write
19 another opinion; right? I got this wonderful news
20 that you're all going to do summary judgment and get
21 it all briefed up over the next five months or
22 something so that my aging mind can come at this fresh
23 again.

24 MR. ALLINGHAM: Your Honor --

1 THE COURT: And over something -- this
2 is ridiculous. It is -- listening to this transcript,
3 if anybody reads it -- I just want to say, if you're
4 some third party reading this transcript and you're
5 thinking this is ridiculous and you can't understand
6 it, you got it. You've got exactly it.

7 So what I'm trying to figure out is
8 people sanctioned -- there was a point in time where
9 the concern was, obviously, it was somehow collusive;
10 right? Wasn't that the concern, Mr. Dellaportas, at
11 that point?

12 MR. DELLAPORTAS: That allegation was
13 raised, yeah. It's not true, but it was raised.

14 THE COURT: Okay. I'm not -- can we
15 just drop it? I understand nobody is waiving any
16 argument that any client has ever made. The fact was,
17 Orly didn't trust any deal that was done between Sagi
18 and his mother; right?

19 And one of the issues about the \$10.6
20 million is that -- who is the trustee of the Orly
21 Trust? Mr. Anderson, is it your client?

22 MR. ANDERSON: Yes, Your Honor.

23 THE COURT: Is your client the sole
24 trustee of the Orly Trust?

1 MR. ANDERSON: Yes.

2 THE COURT: Okay. Has anybody gone
3 back to Orly and suggested, "Would you do this
4 deal" -- is there any other assets in the Orly Trust?

5 MR. DELLAPORTAS: Other than the
6 various -- no. No.

7 THE COURT: Okay.

8 MR. DELLAPORTAS: But I --

9 THE COURT: No, no. Let --

10 MR. DELLAPORTAS: Okay. Sorry.

11 THE COURT: -- let me finish my
12 thought.

13 MR. DELLAPORTAS: Sure.

14 THE COURT: See, because one of the
15 wonderful things about this court is we get to
16 experience the full range of human behavior; in the
17 business world, and also in the world in which the
18 money made from the business world becomes family
19 money. See, we do trusts and estates, we do
20 guardianships, we do all that stuff. You mentioned
21 the word misery. Seen a lot of human misery, by
22 people who have money that could clean up an entire
23 favela in Rio, but they're miserable.

24 Had fights by people who had a quarter

1 of a billion dollar trust, but their brothers and
2 sisters had access to a billion dollar trust. And
3 that hurts, believe it or not. So we're pretty
4 experienced here.

5 Could part of -- and I'm going to ask
6 Dalia's counsel and I'm going to ask Sagi's counsel.
7 Could part of the thing be that the settlement would
8 put the funds back in a trust where the trustee is a
9 parent who has an extremely strained relationship with
10 the beneficiary of the trust, and where the solution
11 to this might be that if Dalia would resign as the
12 trustee of the trust, that Orly might be treated as an
13 adult and substituted as her own trustee, or someone
14 that she has a better relationship with would be the
15 trustee? Then the mother and daughter can go about
16 repairing their relationship, when one doesn't have
17 economic power over the other.

18 Sound like something that might
19 have -- might bridge a gap?

20 MR. DELLAPORTAS: Well, I don't
21 represent the trustee. There have been extensive
22 talks with Orly's counsel about finding an independent
23 person to put in Dalia's place.

24 THE COURT: Okay. Mr. Anderson, is

1 your client prepared to resign as part of a Solomonic
2 settlement to get her daughter, whose best interests
3 she is supposedly representing, the proceeds of this
4 sale?

5 MR. ANDERSON: Your Honor, my -- me
6 and my client Mrs. Genger haven't discussed her
7 desire --

8 THE COURT: Okay. You will talk to
9 her today, and you will report back to this Court and
10 the parties about whether she would agree to a
11 settlement of this litigation -- I'm assuming TPR is
12 still willing to do that; right?

13 MR. DELLAPORTAS: Under all the terms.
14 Now, just to be clear, the terms included releases.
15 We don't want to -- we --

16 THE COURT: You don't want to fight
17 each other anymore.

18 MR. DELLAPORTAS: Yes.

19 THE COURT: Okay. What I'm saying is
20 it seems very critically -- if I were Orly -- and I'm
21 not, but if I were in Orly's position, it would be
22 very different for me to agree to a settlement in
23 which I were able to select an independent trustee of
24 my own; not to be beholden to a parent who I've had a

1 disputatious relationship with and been on the other
2 side of a family divide for. And it's an entirely
3 different settlement.

4 One settlement involves getting \$10.6
5 million and freedom and economic independence and an
6 end to hurtful emotional ties being wrapped up in
7 money. And the other is I'm now beholden to a mother
8 who has been aligned with my brother against me and my
9 dad in this tremendously drawn-out and hurtful human
10 drama.

11 So, Mr. Anderson, you will report
12 back. Have you had this discussion before?

13 MR. ANDERSON: About my client's
14 willingness to resign as the trustee?

15 THE COURT: Yes.

16 MR. ANDERSON: No, Your Honor. We
17 have not.

18 THE COURT: What is your understanding
19 of why Orly wouldn't go along with this deal? Was it
20 partly based on that?

21 MR. ANDERSON: Well, there's a lot
22 going on in New York, including the fact that Orly has
23 sued my client. We know there's been a settlement
24 agreement reached up there, but we haven't seen the

1 terms of that. So that's part of it.

2 THE COURT: Okay. Guys -- come on,
3 Mr. Anderson. All of you.

4 MR. DELLAPORTAS: I --

5 THE COURT: None of you -- no. Listen
6 to me. And I have the right to say this on behalf of
7 all the judges who have been involved in this in
8 various states: Not one of you is living up to your
9 obligations to your client or the Court if you don't
10 have the full window into this. That is outrageous,
11 if there's anybody in this room who is representing
12 somebody who is party to relevant litigation that
13 bears on this dispute, if you don't know about it.
14 And vice versa with the other counsel. You're not
15 going to come before this Court without being fully
16 prepared. And, honestly, the Trump Group deserves to
17 be able to move on.

18 It's painful enough that a family
19 hurts itself this much, but the collateral injuries to
20 others -- and, frankly, to the societal resources of
21 tying up court systems at a time when budgets are
22 under constraint -- I don't find it humorous.

23 So get with your client. You're going
24 to file weekly reports in this. The Trump Group is

1 alleviated from those. They will receive them.
2 Dalia's counsel and TPR will file weekly reports. You
3 will engage with Orly's counsel after we hear the
4 answer to whether Dalia is willing to step out of the
5 trust.

6 And the terms of the trust will be
7 produced for everybody to see by tomorrow. The
8 terms -- if there are settlement agreements of
9 relevant related litigation, those will be produced to
10 everybody tomorrow, so we know what's going on.

11 There was a wonderful State Senator
12 who was a treasure to our state, and she chaired our
13 budget committee for probably a generation. She told
14 governors of both parties regularly to take their
15 smart pills. Start taking your smart pills.

16 Mr. Anderson, are you lead counsel for
17 Dalia?

18 MR. ANDERSON: I am in the Delaware
19 action, but not in all of the New York actions.

20 THE COURT: Who is the majordomo? Who
21 is --

22 MR. ANDERSON: Dalia's counsel up in
23 New York is Robert Meister.

24 THE COURT: Well, you ought to get

1 ahold of Mr. Meister right away. Who is the majordomo
2 for Orly, to everyone's knowledge?

3 MR. DELLAPORTAS: It's hard to say.

4 MR. ALLINGHAM: It's hard to say.

5 Either Yoav Grinever or William Wachtel, or maybe
6 both. We can't tell.

7 THE COURT: Well, I would get both or
8 one of them this transcript as soon as it's available.
9 And I would encourage -- if Sagi and his mother -- I
10 mean maybe you need to have a family meeting between
11 Sagi and his mom.

12 MR. DELLAPORTAS: Your Honor, I'm
13 fully informed of my client's position. I can tell
14 you right now, my client would jump for joy if we
15 could reinstitute the prior settlement agreement with
16 the added term that his mother be replaced as trustee.
17 We have no objection to that whatsoever.

18 THE COURT: Is Arie involved at all
19 anymore?

20 MR. ALLINGHAM: Yes. There's still
21 litigation among -- not with us, but there's still
22 plenty of litigation among Sagi and Arie and Dalia.

23 THE COURT: About the proceeds, or how
24 they were cut up, or --

1 MR. ALLINGHAM: Yes. Breach of
2 fiduciary duty claims. I don't even know all of them.
3 I --

4 MR. DELLAPORTAS: I mean that was
5 Orly's objection, is that we obtained, as part of that
6 settlement agreement, releases which were going to
7 free us of Orly's claims which were being brought on
8 behalf of the trust.

9 And Orly apparently thinks those
10 claims were worth more than the settlement -- than she
11 was going to get in the settlements. We think her
12 claims were worth less, and we did it for family
13 peace. But I -- but again, Your Honor, we're happy to
14 adopt that prior settlement.

15 THE COURT: What you're saying is her
16 idea is that the claims are worth more because she
17 would have gotten more if -- I mean under the
18 settlement, is she treated pro rata with Sagi for the
19 sale proceeds?

20 MR. DELLAPORTAS: I'm under the --
21 well, her view of the world is that TPR sold what
22 people call the Orly Trust shares for too little money
23 to the Trump Group.

24 THE COURT: Okay.

1 MR. DELLAPORTAS: And --

2 THE COURT: That's not what I asked.

3 MR. DELLAPORTAS: Oh.

4 THE COURT: The question is not
5 whether Sagi is Warren Buffett or, as I like to say,
6 even Jimmy Buffett, who was probably a better business
7 person than any of the Trumps or the Gengers. Dude's
8 a really good business person.

9 The question is, did she get her pro
10 rata cut of the total pie? Or did Sagi -- is there a
11 question about a premium that Sagi received?

12 MR. ALLINGHAM: I think I understand
13 the question. TPR, for the Sagi shares -- which is
14 what Your Honor's opinion was earlier -- got 27
15 million. The proceeds that would go to the Orly Trust
16 in the settlement would be 10.7.

17 THE COURT: Were they an identical
18 block of shares and terms?

19 MR. ALLINGHAM: Yes, yes.

20 MR. DELLAPORTAS: And that's when sued
21 by the Trump Group, TPR immediately settled, within
22 weeks, did not litigate with the Trumps up to the
23 Delaware Supreme Court, back and forth, and so, did
24 not roll the dice on winning in a Delaware litigation

1 and put this Court through multiple trials, but simply
2 settled early on.

3 THE COURT: This is -- the 27 was
4 something paid when?

5 MR. ALLINGHAM: 2008. August of 2008.

6 THE COURT: That was the control
7 thing?

8 MR. ALLINGHAM: Correct. That was the
9 block that gave the Trump Group control.

10 THE COURT: But then Sagi also
11 negotiated this contingent thing for the other trust?

12 MR. ALLINGHAM: That's correct. Which
13 was determined --

14 THE COURT: Yeah. See --
15 Mr. Dellaportas, come on. Look, I had to live through
16 all this crap. So I mean so Sagi is like projecting
17 the -- the point is, when he bargained and did all
18 these shares on behalf of TPR --

19 MR. DELLAPORTAS: Uh-huh.

20 THE COURT: -- he didn't allocate the
21 purchase price ratably over all the shares he was
22 wielding control over.

23 MR. DELLAPORTAS: That's right.
24 Because he was delivering two different things. For

1 the Sagi Trust shares he was delivering clear title,
2 because that settlement was on behalf of both
3 claimants, the Sagi Trust and TPR. For the Orly Trust
4 all he was giving the Trump Group was a right to go
5 sue and try to win a beneficial ownership. So it was
6 two very different things that were being sold.

7 MR. ALLINGHAM: And I don't want to be
8 on either side of this, but I think that the record is
9 clear that Sagi did try to sell the same deal to the
10 other -- for the other -- on behalf of the other
11 blocks.

12 MR. DELLAPORTAS: That's absolutely
13 true. Sagi went to his father and his sister and said
14 "I can get you the same deal or I can get you
15 something even better. Which is, you think your
16 shares are worth more than this. The Trump Group will
17 actually let you keep your shares if you just sign
18 onto this thing and agree with the funding agreement,"
19 and so forth.

20 And they said, "No. We're going to
21 litigate this." So, you know, they went for broke.

22 THE COURT: I understand that. But in
23 a representative capacity; right? I mean, the point
24 is, I guess you would argue that the Orly Trust never

1 had anything and that TPR should just claim
2 everything?

3 MR. DELLAPORTAS: That's why it was a
4 contingent sale. It was contingent on the Orly Trust
5 not having it. If the Orly Trust had it then there's
6 no sale, and if TPR has it then TPR got the best price
7 it could from the Trumps for that particular block,
8 knowing that it couldn't deliver clear title, but only
9 a right for the Trumps to go sue over it.

10 THE COURT: Okay. Yeah, I mean that's
11 your client's view of the world. There's other ways
12 of looking at it. And I think one of the other ways
13 of looking at it is, remember, you've got two distinct
14 questions, which is the whole issue -- and this is one
15 of the things -- the distinct issue of what were the
16 rights of the Trumps, to the extent that those
17 rights -- you know, that proper notice wasn't given.
18 And, therefore, what right did they have to acquire
19 the shares from TPR in those circumstances.

20 The reality is that the family
21 proceeded in resolving some fairly important dynamics,
22 and this was -- the Trump Group could have said we're
23 not into the divorce and how you all cut the pie
24 within the family; right? And the New York courts, I

1 think, are still doing that, which this was -- I mean
2 there wasn't allocation of wealth within the family
3 that was premised upon these prior transfers.

4 It's nifty to say they had the chance
5 to like go in with your client, and they should have
6 used him as their investment banker and all this kind
7 of stuff and they didn't. All I'm saying is I
8 understand a little bit more why Orly might be saying
9 10.6, that's not near pro rata. 27 million would have
10 been pro rata. Okay. There's been a lot of costs and
11 other sorts of things, but you're not offering to even
12 top up at all.

13 And it was very convenient for you,
14 who wanted to sell the business, to take the position
15 that you did and to take the premium for yourself.
16 But the reality is, you've left me with a lot less
17 money, right?

18 MR. DELLAPORTAS: That's not true at
19 all. We didn't leave her with a lot less money. She
20 could have taken the same price we had or she could
21 have kept her shares.

22 THE COURT: You didn't listen to a
23 word I said.

24 MR. DELLAPORTAS: No; I understood it,

1 Your Honor.

2 THE COURT: Do you understand that she
3 did not wish for her father to lose control of the
4 business that he helped to build?

5 MR. DELLAPORTAS: Yes.

6 THE COURT: You may not understand
7 that. I actually don't have parents who ever built a
8 multi-million-dollar business but, you know, I have
9 enough sense of human empathy that I kind of get it.

10 I also am not insensitive to the
11 potential that part of Sagi's motivation was that he
12 and dad weren't in a good relationship, and that doing
13 something that was emotionally injurious to his
14 father -- that's the sad thing about these family
15 disputes. People -- you know, I don't think in the
16 end anybody gains from this kind of stuff.

17 The other side -- you won't win, and
18 you might lose, but you're probably not going to gain
19 in the long run. But they don't necessarily see it
20 that way, and sometimes they -- you know, causing some
21 hurt -- I want you to hurt like I do kind of thing.

22 So, I'm getting a little bit,
23 Mr. Dellaportas, where I understand a little bit more
24 of what you're saying. You want a release where any

1 of that overage claim -- that's not really that
2 generous. I mean I get what you're doing, but it's
3 not really generous. You basically offered the
4 bottom --

5 MR. DELLAPORTAS: Your Honor, I --

6 THE COURT: I mean my understanding is
7 there's no way that TPR gets to keep the 10.6 million,
8 is there?

9 MR. DELLAPORTAS: The Court, Judge
10 Keenan has ruled that if the transfer to the Orly
11 Trust was void, in a case where Orly and the Orly
12 Trust was found void, that TPR is entitled to the
13 proceeds.

14 THE COURT: Right. But that
15 doesn't -- that has -- that may be you're entitled to
16 something. That doesn't mean that it doesn't have
17 collateral consequences for whether people get to
18 reopen allocations of wealth that were made in the
19 divorce proceeding.

20 MR. DELLAPORTAS: That was -- that was
21 a claim that was brought in the New York State Court.

22 THE COURT: Is it over?

23 MR. DELLAPORTAS: That portion of it
24 is. The New York State Court ruled that the divorce

1 allocation is final and can't be reopened. The New
2 York Court also said that you can have breach of
3 fiduciary duty or unjust enrichment claims, money
4 damages claims.

5 THE COURT: Yeah. Against your
6 client.

7 MR. DELLAPORTAS: Yes.

8 THE COURT: Which you've valued at
9 zero?

10 MR. DELLAPORTAS: No. That's not
11 correct, Your Honor.

12 THE COURT: Well, because you're
13 saying you gave the 10.6 that he originally
14 negotiated.

15 MR. DELLAPORTAS: Well, because
16 otherwise that's a TPR entitlement. And I don't think
17 Your Honor's characterization is necessarily fair
18 about TPR selling -- the initial bid as intending to
19 injure --

20 THE COURT: I'm sure -- I'm not
21 saying -- I'm being observational. To the extent that
22 your client happened to end up in control of TPR and
23 then turns it into a Powerball award for himself,
24 leaving his sister -- apparently you believe -- in a

1 cold, ruthless way, out of the family settlement.
2 Orly would be entitled to bupkis. That's your
3 client's ruthless belief; and that he, by virtue of
4 the father having not given the prior notices of the
5 transfers, that -- you know, "Heck, life's tough, Sis.
6 Hope your art sells well."

7 MR. DELLAPORTAS: Your Honor, it's not
8 that at all.

9 THE COURT: Well, then, don't put it
10 that way.

11 MR. DELLAPORTAS: Can I put it this
12 way, Your Honor?

13 THE COURT: No. I don't even need to
14 know any more.

15 MR. DELLAPORTAS: Okay.

16 THE COURT: What I'm saying is this:
17 You go back to your client, too, because you also
18 ought to be pricing the following: There's no fee
19 shifting here; right? Because -- you're at Morgan
20 Lewis?

21 MR. DELLAPORTAS: Yes.

22 THE COURT: Have your rates changed in
23 some way, where it not pricy for you to write summary
24 judgment briefs?

1 MR. DELLAPORTAS: None of this -- none
2 of these litigations are in any way cost-effective for
3 any of the parties, I will say, Your Honor.

4 THE COURT: Okay. Which means \$10.6
5 million, you know, can't be like your -- the only
6 thing that you could potentially think about. Unless
7 your client is really not at all -- is not even like
8 capable of pricing a Denny's buffet. Because if it's
9 going to cost hundreds of thousands or millions of
10 dollars just to litigate, and you have the uncertainty
11 of it, that needs to be factored in.

12 So I want you -- and you don't need to
13 tell me. I want you to report back in a week that
14 you've gone over litigation budgets through appeal in
15 this case and through appeal in New York; that you've
16 also talked about the realities that I indicated just
17 as a division of courtroom equity, that there's a
18 fairly large gap between 27 million and 10.6. No
19 doubt the world has to be taken into account, in terms
20 of the fact that there was all this litigation and
21 Orly took her chances. But that, from a fundamental
22 equitable basis, the idea that -- again, that the
23 world -- that this was just a Powerball ticket handed
24 to Sagi Genger; that this lack of notice gave him all

1 the family wealth -- it's not, certainly, something
2 that strikes a Delaware judge, and it's not going to
3 be my ultimate opinion, it doesn't strike me as why
4 courts of equity were ever founded. It seems
5 capricious.

6 MR. DELLAPORTAS: Your Honor, if I
7 could just address one point. TPR has now -- and
8 Sagi, have been sued in seven separate forums. TPR --
9 all out of the original act of settling with the Trump
10 Group. And so for the past five years we've been
11 enduring litigation -- we haven't filed any suits.
12 All we've been doing is being sued. And it's been a
13 real torment, and it's not something we wanted.

14 And we -- at least in the three years
15 I've been involved -- I've been involved in nonstop
16 settlement negotiations with anyone and everyone who
17 would listen. I've been involved in formal
18 mediations, informal mediations, but there are
19 feelings on the other side driving this.

20 And it is absolutely not some sort of
21 ruthlessness or coldheartedness. We have tried again
22 and again to resolve this, and the most hurtful,
23 hateful things have been said about my client.

24 THE COURT: I understand that. This

1 family is not nice to each other. And every day that
2 they hire expensive lawyers to engage in economic
3 warfare against each other is another day where they
4 won't heal. It's another day of emotional pain. And
5 as I said, I don't believe any of them are going to be
6 pulling an Ochocinco in the end zone of life about
7 this. You don't win in cases like this. You don't.
8 Because there's no way doing a touchdown celebration
9 at the expense of someone who is your flesh and blood.

10 Anyway, put it this way: I don't like
11 to think that anybody can ultimately do a pure
12 expression of celebratory joy at the defeat of their
13 father, their mother, their ex-wife, their sister or
14 their brother. I just don't like to think about
15 people being that ruthless and soulless.

16 So I get you say that Sagi just got
17 sued everywhere, he was just a passive dude. Well,
18 no, he wasn't. Because, you know, in a lot of
19 families, you know what would have happened? In a
20 normal family? Even normal families that fight,
21 brother and sister would have stood behind dad and
22 said, "Ain't no way you're taking our business."

23 This family was already so torn apart
24 that your client cut a deal, and cut a deal in which

1 he didn't give ratable treatment on behalf of the
2 other family members. And now, in your view, what
3 you're saying is, as a cold, ruthless legal matter he
4 claims to have won some sort of life's Powerball
5 because he ended up with control of TPR.

6 So what you need to effectively
7 represent your client is for you and Mr. Connolly, who
8 is a really very fine lawyer, to do what I'm saying
9 Mr. Anderson needs to do with his client and what
10 Mr. Wachtel and the other lawyer need to do with their
11 client. You need to look at the way the world looks
12 from the other perspective and from the perspective of
13 Sagi's family members.

14 Let's put aside -- this happened. The
15 pie wasn't cut up equally. 10.6 doesn't come close --
16 nobody's saying -- there's a big difference between
17 cutting it up equally pro rata and no movement.
18 There's a big difference between an offer in which not
19 only is there no movement, but Dalia Genger remains
20 Orly's trustee. I don't -- again, we're going to see
21 the terms of the trust tomorrow, but trustees can have
22 very important power, like determining how much you
23 get out of the trust or not. Right?

24 MR. DELLAPORTAS: And, Your Honor, the

1 trust agreement has been an exhibit in multiple
2 filings in various states, so it's not a secret.

3 THE COURT: Then people should have
4 been able to tell me who the residual beneficiaries
5 are and stuff like that.

6 MR. DELLAPORTAS: I can speak to that,
7 Your Honor. There is a sole beneficiary, Orly Genger.
8 If she has children, they will become additional
9 beneficiaries. And then there's what's called a
10 remainderman beneficiary, which is if she dies without
11 issue, as they say, then the Sagi Trust becomes the
12 remainderman beneficiary of the Orly Trust. And vice
13 versa.

14 THE COURT: Right. So there's no
15 beneficiary interest for Dalia in any way, shape or
16 form in this?

17 MR. DELLAPORTAS: No, Your Honor.

18 THE COURT: Which, again, makes this a
19 very weird lawsuit.

20 MR. DELLAPORTAS: I --

21 THE COURT: But, look. Is this also
22 why Orly -- right? Orly is not aligned with Dalia.

23 MR. DELLAPORTAS: No doubt.

24 THE COURT: So when Dalia brings a

1 lawsuit that Orly doesn't want, and when Dalia's
2 aligned with Sagi and Sagi and Dalia are willing to
3 settle it, but on terms that Orly gives up any claim
4 that she has; that Sagi didn't exactly cut the pie
5 fairly -- you know, it doesn't sound strange to me
6 that now, because you're saying that you want to cut
7 off her pie cutting claims, you weren't willing to
8 just settle this litigation. You want to continue to
9 defend those. So it makes sense to me why this isn't
10 resolved.

11 MR. DELLAPORTAS: Well, I --

12 THE COURT: And guess what? There
13 will be process. And one of the first things we will
14 do, there will be discovery into Orly's position on
15 this. I'm not going to proceed without knowing Orly's
16 position. I'm also going to need to know -- I'm not
17 going to have a case where a trustee is proceeding on
18 behalf of an adult beneficiary where there's the
19 potential that the very procession of the
20 litigation -- you know, I mean why is this litigation
21 even going on? Is it because the Trump Group -- I
22 guess you don't get your -- you don't get free and
23 clear things of your share?

24 MR. ALLINGHAM: We have proposed that

1 we stipulate that the Trump Group has beneficial and
2 record ownership of the shares, and that however the
3 proceeds get parceled out is not our problem.

4 THE COURT: And has that been proposed
5 to Orly? And just let everybody fight about the pot
6 of money in New York in the existing litigation?

7 MR. ALLINGHAM: Well, Orly is not a
8 party to this case. And so --

9 THE COURT: No, no, no. But Orly was
10 a party to a settlement over there.

11 MR. ALLINGHAM: Yes. Orly is a party
12 to the settlement up there. Orly did sign the
13 settlement agreement, and that's a settlement in which
14 real money is changing hands and will continue to
15 change hands.

16 So I don't believe that Orly has ever
17 been asked to take a position. Since the settlement,
18 I don't think Orly has been asked to take a position
19 in this case.

20 With respect to something that may be
21 of considerable importance in these status reports --
22 and I raise this with some trepidation -- the
23 settlement agreement itself has a confidentiality
24 stipulation. It obviously says you can't produce it

1 unless you're required to by law. Your Honor has just
2 said I have to produce it tomorrow. It does --

3 THE COURT: No. I thought there was
4 some other derivative litigation that was settled.

5 MR. DELLAPORTAS: That's the one.

6 THE COURT: Okay.

7 MR. DELLAPORTAS: And legally, it's
8 critically important to understand the dynamic between
9 Orly and the Orly Trust.

10 MR. ALLINGHAM: And I have said to
11 everyone who will listen, I'm happy to produce the
12 settlement agreement, but I've got this
13 confidentiality provision. Required by law, I think,
14 is if a court order tells me to do it, I'll do it.

15 THE COURT: Well, I don't want to jump
16 to -- you know, but what you're saying here -- what
17 I'm not going to have -- and I really don't care if I
18 ruin the vacations of these clients -- I will do
19 process. I will require process out the wazoo, as an
20 aid to the world.

21 You are almost to a goal line. Get
22 across it. You ought to look at yourself in the
23 mirror as professionals and say, "We need to get this
24 to the goal line."

1 For example, if the Trump Group
2 already, you know, essentially topped up Arie -- and I
3 don't want to put it that way -- topped up Arie and
4 Orly to some extent; which is, they had to essentially
5 pay twice, you know, that's obviously a relevant
6 factor. It shouldn't make Sagi think that life is
7 cost-free.

8 MR. DELLAPORTAS: I don't want to
9 reveal settlement communications, but that was exactly
10 one of the things we said when we had settlement,
11 which is -- I won't reveal what they said, but what I
12 said is, "You're saying there's an inequity here. I
13 don't know how much you got. You may have gotten more
14 than -- you may have gotten nothing, you may have
15 gotten more. I have no idea." They won't tell us.

16 And it's relevant -- it's not the
17 Trump Group which is objecting. It's, I guess, Orly.
18 Orly objects to the production of this settlement
19 agreement, which we think is discoverable for a number
20 of different --

21 THE COURT: Is Arie still suing Sagi?

22 MR. DELLAPORTAS: Yes.

23 MR. ALLINGHAM: And what I started to
24 say, Your Honor, is --

1 THE COURT: No.. I'm not going to
2 spontaneously roll grenades without pins in them. So
3 I'm not going to have you produce that until it's
4 thought about more. What I am suggesting,
5 Mr. Allingham, is that perhaps it might be useful for
6 you all to talk to Mr. Wachtel, and to talk to Arie's
7 people in light of the conference today.

8 And I'm not sure -- I'm not sure how
9 productive it is for these other parties to do so in
10 the first instance, because I'm not -- I'm not really
11 getting that there's any change in alignment. What I
12 am getting is that there's a very bizarre litigation
13 that's going to go on in which a trustee who is not
14 really a champion of the beneficiary is litigating
15 against someone who she's aligned with.

16 MR. DELLAPORTAS: Well, I don't know
17 that that's totally accurate. It's a claim for
18 declaratory judgment, first and foremost, against the
19 Trump Group for the ownership of the shares.

20 What we are seeking is the proceeds
21 from the sale which if the Trump Group owns it is
22 ours. If the Orly Trust owns it we get nothing. So I
23 think that the adversity is first and foremost between
24 the Orly Trust and the Trump Group. I'm just

1 curious --

2 THE COURT: But, again, Dalia Genger
3 has no residual interest in the trust. The
4 beneficiary of the trust has not sought to have her
5 bring this action. And the beneficiary of the trust,
6 by all objective evidence, seems to not believe that
7 the trustee really is her best representative.

8 So, yeah, Mr. Dellaportas. I'm sorry.
9 You can formally say what you say. There is a
10 concern, a long-standing tradition in Anglo-American
11 jurisprudence of being very careful about having
12 actual real adversity, rather than something like
13 this.

14 And, Mr. Anderson, you're going to
15 need to be attentive to this and you're going to give
16 the report that I talked about. Because I'm not
17 getting it. As I said, it appears that the Trump
18 Group has agreed.

19 You know, one of the things is -- you
20 can do the same thing. You can be in the same
21 posture, but reduce transactional costs for all, by
22 the Trump Group's suggestion, which is that the
23 settlement can be -- everybody agrees that the issue
24 of beneficial ownership is settled; that the \$10.6

1 million is interpled up in New York where the
2 litigation is, and you go fight about it.

3 MR. DELLAPORTAS: Your Honor, that's
4 what happened two years ago, which is the 10.6 was
5 interpled.

6 THE COURT: It was interpled into a
7 federal court. I believe Judge Keenan's decision had
8 everything to do with -- and I respect this.
9 Remember, I was hoping -- the only reason I burdened
10 my distinguished colleague Judge Keenan was I do
11 believe in hierarchy, and I respect the Constitutional
12 hierarchy. And there was a fight about where the case
13 would go.

14 And in an attempt to save the family
15 money and to save society's resources, it struck me as
16 the place where the Court with the most Eric Cartman
17 "authoritah" might have been the U.S. District Court,
18 and that if the District Court could have decided
19 everything then perhaps everybody would have respected
20 that.

21 I think the interpleading the funds
22 into a state court -- which is currently actually
23 hearing the substantive claims between the parties,
24 and there was a state settlement of this action about

1 this state question of beneficial ownership -- is a
2 little different situation. Right?

3 MR. DELLAPORTAS: Well, I'm not the
4 custodian of the funds.

5 THE COURT: Well, I know. And we have
6 to have another painstaking discussion if everybody's
7 like -- the custodian is -- is a custodian; right?

8 MR. DELLAPORTAS: Uh-huh.

9 THE COURT: The custodian doesn't
10 care. Custodians, like indenture trustees, care about
11 one thing: I don't want to be sued and incur costs in
12 excess of the administrative fees that I am paid to do
13 this role. Right?

14 MR. DELLAPORTAS: Uh-huh.

15 THE COURT: Isn't that -- does anybody
16 have a different -- do we have an unusual custodian
17 here who has a bolder understanding of her duties?

18 MR. DELLAPORTAS: No.

19 THE COURT: No. So that's another
20 possible form of settlement.

21 Mr. Anderson, would your client have
22 some problem with that kind of settlement?

23 Mr. Anderson?

24 MR. ANDERSON: Sorry, Your Honor. I

1 was on mute. I'm in the airport right now. I just
2 wanted to cut out the background noise. That
3 certainly is the discussion that we will have.

4 THE COURT: Because I mean I can't
5 believe that -- that Dalia Genger has a strong feeling
6 on the beneficial ownership question. Because she
7 really has gotten Sagi, then; right?

8 MR. DELLAPORTAS: I'm sorry?

9 THE COURT: She's gotten your boy.

10 MR. DELLAPORTAS: Meaning if the Orly
11 Trust obtains its --

12 THE COURT: Meaning, put it this way:
13 If there is no beneficial ownership in the Trump Group
14 of these shares, how's her son and how's TPR have
15 anything?

16 MR. DELLAPORTAS: That's correct.
17 That's what Judge Keenan ruled. Or that if the
18 Orly --

19 THE COURT: No. It's not just that.
20 It's totally inconsistent with your client's position,
21 which Dalia supported.

22 MR. DELLAPORTAS: Well, just to be
23 clear, we disagree that the Orly Trust has beneficial
24 ownership of the shares.

1 THE COURT: I agree --

2 MR. DELLAPORTAS: Okay.

3 THE COURT: -- you disagree on the
4 same ground that would support TPR's ability to sell,
5 and the shares sold on behalf of the Arie Genger
6 Trust -- is that dealt with separately or was --

7 MR. DELLAPORTAS: Separate, yeah.
8 It's just Arie Genger. It's not a trust.

9 THE COURT: Right. But there was the
10 Sagi Trust; right?

11 MR. DELLAPORTAS: Uh-huh. Yeah. The
12 Sagi Trust, the Orly Trust, and then Arie personally.

13 THE COURT: Yeah. I mean, you know,
14 and I believe, what I mean is there's the formal legal
15 position Dalia took here -- that was why it was argued
16 by Orly that it was collusive -- is that all the other
17 transfers she was ducky with because she supported her
18 son Sagi and his position. Am I wrong in thinking
19 there's not really meaningful distinctions here?

20 MR. DELLAPORTAS: I don't know that
21 Dalia or the Orly Trust took a position with respect
22 to the other two transfers. She didn't -- it wasn't
23 really her issue. They're on a personal level
24 friendly, mother and son.

1 THE COURT: My point is this: My
2 reasoning, if the Dalia trust succeeds in this case,
3 then it will mean that I was -- that I've now
4 concluded I was incorrect in my previous rulings.

5 MR. ALLINGHAM: I believe that's
6 correct. And I --

7 MR. DELLAPORTAS: We --

8 THE COURT: And I believe during the
9 previous litigation Dalia was aligned with Sagi; that
10 Orly and Arie did not believe the bringing of this
11 lawsuit was designed to aid Orly's cause; that Orly
12 objected. Right? Did Sagi and you-all talk with
13 Dalia before this lawsuit was brought?

14 MR. DELLAPORTAS: I'm sorry. Did we
15 talk with Dalia about the bringing of this lawsuit?
16 No.

17 THE COURT: Yeah.

18 MR. DELLAPORTAS: Did not.

19 THE COURT: And you were representing
20 Sagi at the time?

21 MR. DELLAPORTAS: I represent TPR and
22 Sagi in various litigations, yes.

23 THE COURT: You had at the time this
24 was brought?

1 MR. DELLAPORTAS: Yes, yes.

2 THE COURT: And, Mr. Anderson, have
3 you been counsel for Dalia the whole time?

4 MR. WARDEN: Your Honor, in the
5 Delaware action -- Mr. Anderson has been involved the
6 whole time in the Delaware action, yes.

7 THE COURT: Okay. And the same
8 counsel in New York has been involved?

9 MR. HERRMANN: That's correct.

10 MR. ALLINGHAM: Yes.

11 MR. WARDEN: I don't know the answer
12 to that.

13 THE COURT: Okay. Well, I'm not going
14 to go round and round anymore, but I want weekly
15 reports from -- I'm calling it Sagi, you can call it
16 TPR or whatever you want, and Dalia. Because I have a
17 more human understanding of this. I think the formal
18 roles are actually quite confused here.

19 MR. DELLAPORTAS: And, Your Honor,
20 just to be clear, the weekly reports should be on my
21 client's position and his client's position?

22 THE COURT: Yes. And what they're
23 doing. And I expect that you're going to engage with
24 counsel for Orly, and I expect that you're going to

1 share this transcript. And I think that, at the very
2 least, you ought to consider what Mr. Allingham's
3 clients suggested.

4 And I would not confuse what Judge
5 Keenan did in a very disciplined opinion, recognizing
6 the limits of federal jurisdiction, with the more
7 propitious jurisdiction afforded to the New York
8 courts. And it would seem to me to be a great
9 reduction of transaction costs, at the very least, to
10 put the funds before the Court up there, stipulate to
11 the beneficial ownership interest, and move on.

12 Because I'm also going to -- look.
13 I'm going to need to know, Mr. Anderson -- or you're
14 Mr. Anderson's colleague; right?

15 MR. WARDEN: Yes.

16 THE COURT: I'm going to need to know
17 that there is a good faith basis for your client's
18 contentions. Discovery will go into her motivations,
19 her position on this. Because I got to know that I
20 have an adversary proceeding that's just not made up.

21 I also -- you know, we got the whole
22 issue of whether Orly was here before, right, and all
23 this kind of stuff. But, you know, to be -- trustees
24 are usually not bold. I mean they're like custodians.

1 And the idea that trustees are going to go on
2 behalf -- a trustee of a trust where the trustee has
3 no beneficial ownership interest herself is going to
4 proceed with a litigation, with the sole beneficiary
5 of the trust -- well, I mean what's even more -- the
6 sole beneficiary of the trust is Orly and her issue,
7 and if she has no issue, then Sagi.

8 MR. DELLAPORTAS: Well, then the Sagi
9 Trust, yeah, which has the grandchildren.

10 THE COURT: Yeah. Sagi. And I don't
11 think -- does the Sagi Trust, Mr. Dellaportas, wish to
12 align with the Dalia Trust in this litigation?

13 MR. DELLAPORTAS: I'm sorry. With the
14 Orly Trust?

15 THE COURT: With the Orly Trust.

16 MR. DELLAPORTAS: I don't think the
17 Sagi Trust has taken a position.

18 THE COURT: What do you think? Do you
19 suspect it will be taking a position?

20 MR. DELLAPORTAS: Well the Sagi Trust
21 is a 99 percent shareholder of TPR.

22 THE COURT: See. Do we suspect they
23 won't be?

24 MR. DELLAPORTAS: Well, as of now they

1 haven't, and I would suspect they would share TPR's
2 position, because they're the 99 percent shareholder.

3 THE COURT: You suspect that, huh? So
4 do I. That's why I was kind of making this
5 observation. I -- from a third-party perspective, do
6 you get me about Dalia's position being a little odd,
7 that the singular beneficiary, the most likely
8 beneficiary of the trust, is Orly, any issue she has.
9 And Orly is -- you know, last I saw her, looked fit,
10 young, many decades of life to come. So she really
11 should be the focus, and then the remainder should be
12 the Sagi Trust.

13 So as I get it, Orly, the principal
14 beneficiary, she doesn't support the suit. It's not
15 her fight. Doesn't really want to fight about
16 beneficial ownership.

17 She thinks it should be more than 10.6
18 million. She thinks 10.6 million for sure should be
19 coming to her. She thinks it should be more, but
20 she's not really in a fight with the Trumps anymore
21 about beneficial ownership. She hasn't taken that
22 position. That fight has been done, she respects
23 that. Or may not respects it, but has learned to live
24 with it. Perhaps because she got paid some money to

1 learn to live with it.

2 Then, as I understand it, if Only
3 leaves this earth without having children, the Sagi
4 Trust will be the beneficiary. And the Sagi Trust
5 opposes the suit. So the only beneficiaries on whose
6 behalf the suit is brought don't support it. That's
7 what you-all who represent Dalia have to confront.
8 Because it also sounds like a very odd thing for me to
9 have to decide -- like I said, it gets back to is this
10 just a law school moot court? Or like there's "Ground
11 Hog Day." You know, "Ground Hog Day," the movie.

12 MR. DELLAPORTAS: Uh-huh.

13 THE COURT: Is this like the most evil
14 "Ground Hog Day" that was ever invented? And I have
15 always wanted in some ways to be like Bill Murray, but
16 I get to be Bill Murray in the Genger beneficial
17 ownership "Ground Hog Day," where I wake up and I have
18 to again determine whether proper notice was given and
19 what the implications are.

20 Do you see my point, Mr. Dellaportas?

21 MR. DELLAPORTAS: Uh-huh.

22 THE COURT: I mean you're a very smart
23 guy. I could tell that in a second. Get a little
24 less boxy. I'm sorry, but you represent Sagi.

1 MR. DELLAPORTAS: Your Honor --

2 THE COURT: His children are -- how
3 old are his children?

4 MR. DELLAPORTAS: They run from -- I'd
5 say zero, just a newborn, to 13.

6 THE COURT: Right. So I'm not saying
7 Sagi doesn't have representative duties to others.
8 Part of that's what this lawsuit is about with his
9 sister. What I'm saying is you basically -- when you
10 have client meetings, nothing -- there's no picture of
11 a trust. There's no picture of TPR. There's a human
12 being named Sagi Genger who shows up, and that -- and
13 you talk to him. Now, he's supposed to honor his
14 duties to other people, but that's who you're talking
15 to.

16 And you-all are talking to Dalia. And
17 then there are people talking to Orly, and Arie's
18 still on the scene.

19 So I am going to think about it this
20 way as we go forward, because I need to know who's
21 trying to do what to whom, and why.

22 Mr. Anderson, can you hear me? Well,
23 you need to report back to him.

24 MR. ANDERSON: Yes, Your Honor.

1 Sorry. I can hear you.

2 THE COURT: Take this seriously.

3 Because, you know, I don't understand -- and you can
4 always have releases, too. Because to the extent
5 Dalia is worried about her liability as a trustee,
6 that's really easy to solve when the two principal
7 beneficiaries can do a release. Most trustees -- you
8 know what most trustees would want to do? Want a vote
9 in the room? I want any lawyer who believes that most
10 corporate trustees in this wouldn't be glad to be out
11 of the middle of this.

12 MR. DELLAPORTAS: Your Honor --

13 THE COURT: Anybody disagree with
14 that?

15 MR. DELLAPORTAS: Your Honor, there
16 were extensive discussions about replacing Dalia -- my
17 clients were in favor of it -- with an independent
18 trustee. The one holdup was that Dalia did want a
19 release as trustee and Orly said she could not have a
20 release as trustee. Orly wanted to retain the right
21 to continue to sue Dalia after Dalia resigned. And
22 that's what killed the deal, essentially.

23 THE COURT: Well, I assume it's more
24 than just that.

1 MR. DELLAPORTAS: It is more than just
2 that. Orly objects to various actions that Dalia took
3 as trustee. And so, you know, everyone -- everyone
4 objects to everything everybody's done in this family
5 over the past 12 years. It's a very difficult dynamic
6 to get over.

7 The one thing, Your Honor, that I
8 think is absolutely essential is --

9 THE COURT: Yeah. But what I'm saying
10 about this is there's a long distance between, for
11 example, the suits -- I don't know what the suits are
12 about the trustee, because the only asset of the trust
13 were the shares; right?

14 MR. DELLAPORTAS: Yes.

15 THE COURT: And so I don't know what
16 she's suing about her actions as a trustee. It may be
17 more issues of aligning with Sagi about the selling of
18 the shares; right?

19 MR. DELLAPORTAS: Uh-huh.

20 THE COURT: I mean if that's what
21 you're talking about, Mr. Dellaportas, which is she
22 wasn't too hep to Mommy being in alignment with Sagi
23 on selling the shares, and if Mommy knew that Sagi was
24 selling the shares for \$10.6 million when he was

1 selling his own for 27, that, as a trustee, she may
2 have had some duties to do something; right? That's a
3 different kind of situation. And again, what I'm
4 talking about here is I'm not sure how fighting about
5 beneficial ownership provides any protection to Dalia
6 Genger in any way.

7 MR. DELLAPORTAS: I can't speak for
8 Dalia but, Your Honor, from my client's perspective --
9 whether you call it TPR, Sagi, whatever -- to have a
10 frank talk with my client, the whole -- what Your
11 Honor called the topping off issue, it can't remain a
12 secret. Otherwise -- it could be they could have
13 topped off for \$1, it could have topped off for \$100
14 million. We have no conception one way or the other.

15 And so --

16 THE COURT: But what I'm -- again, I'm
17 saying here, because your client is going to be
18 talking to his mom, because he's been talking to his
19 mom all along.

20 And when I'm talking to counsel for
21 Dalia, all I'm saying is, you know, having a
22 collateral war over beneficial ownership, where does
23 that get you? You know, I -- I don't know that it
24 gets you anywhere, even if you win. Does it gets the

1 shares back, and that's what she wants? I guess. I
2 mean how -- does she even believe it?

3 What I mean by "believe it" is, you
4 know, you're really not supposed to come before a
5 Court and argue a position that you don't believe in.
6 That's actually kind of uncool. There's a Rule
7 between 10 and 12. You're not really supposed to be
8 doing that stuff.

9 So, I mean, I get that -- you know,
10 Dalia wanted a release, but to the extent that the
11 theory against her was that she was complicit in what
12 Sagi did, that's a different -- that's a lot different
13 than haggling -- has nothing to do with haggling over
14 beneficial ownership.

15 And if you can get past the beneficial
16 ownership thing, I don't understand how Dalia is in a
17 worse position and she won't be spending -- and
18 there's also going to be the issue here, too, is Dalia
19 paying her own fees, Mr. Anderson, or is this
20 litigation going to be funded by the Orly Trust?

21 MR. WARDEN: Your Honor, I don't know
22 the answer to that question. I'm sorry.

23 THE COURT: Well, I think it's kind of
24 an important question to ask.

1 MR. DELLAPORTAS: I can speak to it
2 tangentially, Your Honor. There is a TRO in place
3 prohibiting any movement of assets of the Orly Trust
4 pending the outcome of that litigation in New York.

5 THE COURT: Well, so how do we even
6 proceed here? Dalia's going to pay her own funds to
7 you guys to litigate?

8 MR. WARDEN: Again, Your Honor, I
9 apologize. Mr. Anderson is not available and I don't
10 know the answer to that. He'd have to address that.

11 THE COURT: Well, it ain't going to be
12 cheap. And if you think -- I mean since Mr. Allingham
13 and Mr. Herrmann face the really unusual situation
14 that I did, to have an amazingly distinguished set of
15 lawyers from an extremely distinguished firm, Davis
16 Polk, be then replaced by another distinguished set of
17 lawyers from an extremely distinguished firm, Paul
18 Weiss, you know, there is a fairly deep history here.

19 So I don't know what you're going to
20 discover that's new. But, you know, it is a new --
21 I'm going to have to look at collateral and all that
22 kind of stuff, but it's going to be expensive.

23 And Dalia's going to want to go out of
24 pocket? Because I think the TRO kind of puts it -- I

1 mean Orly's not going to be happy to have hundreds of
2 thousands of dollars -- if not millions -- spent by
3 her mother in a suit where neither she nor the
4 contingent beneficiary supports the lawsuit. The one
5 thing Sagi, the contingent beneficiary, and Orly agree
6 on, as I understand it, is that there was -- this suit
7 should not have been filed.

8 MR. DELLAPORTAS: From TPR's
9 perspective, if we could have a stipulation that has
10 the force of judgment, or whatever, that the
11 beneficial ownership is vested in the Trump Group, we
12 would be very happy.

13 THE COURT: And the funds could be
14 placed into the court in New York and everybody could
15 fight about the remaining claims, win or lose?

16 MR. DELLAPORTAS: From our
17 perspective, we believe that we would be entitled to
18 the funds under those circumstances. But where
19 they --

20 THE COURT: That's not what I asked.

21 MR. DELLAPORTAS: Yeah.

22 THE COURT: If you're sure of victory
23 then you should have no hesitance going into the ring.

24 MR. DELLAPORTAS: Well, there's

1 already an escrow agreement by all the parties to this
2 case, including Orly, which provides that the funds
3 stay in escrow until all objections are resolved.

4 THE COURT: Okay.

5 MR. DELLAPORTAS: So I don't know that
6 there needs to --

7 THE COURT: So we need to hear from
8 Dalia about that; right? Because that would be fine
9 with the Trump Group; right?

10 MR. ALLINGHAM: All the Trump Group
11 wants is an order for beneficial ownership. That's
12 all we've ever wanted. Yes. That would be fine with
13 the Trump Group.

14 THE COURT: Okay. I expect to hear
15 from counsel for Dalia.

16 MR. WARDEN: Yes, Your Honor.

17 THE COURT: After reading this
18 transcript, I want you to get up -- I need you to --
19 this is not going anywhere productive. This will be
20 an extremely cost-effective use of all your time and
21 your clients' money if you listen to the discussion
22 today. If all you do is do this minimal thing and
23 stipulate to beneficial ownership and then go fight in
24 New York, you will have undoubtedly saved your clients

1 hundreds of thousands of dollars.

2 You may also be on the road to
3 something, too, if you listen -- by listening I mean
4 is really take -- from the perspective I said of
5 looking how it is. I respect Mr. Allingham's
6 reluctance to -- and that's why I'm not going to force
7 disclosure of the settlement agreement, because I
8 don't know enough about the dynamic to know whether
9 that's productive or not.

10 I can understand Sagi's desire to see
11 it. I also think this is another situation of
12 alignment with Dalia, not with Orly, because I think
13 Sagi and Dalia want to see it and say, "Well, wait a
14 minute. How much was Arie and Orly -- how much were
15 they able to essentially claw back and force the
16 Trumps, by this legal battle, to top them up to
17 something close to what we got out of the deal?"
18 Right? "Before we -- we don't want to close a gap
19 where they end up with more than we got. And we're
20 not even sure we want to close the entire gap. We
21 might understand closing it to some extent, but we did
22 go through a lot. They sued it."

23 I get that, right? But I think you
24 need to get to a point where there's some

1 understanding, where you're close enough to some basic
2 things that maybe Orly has some reason -- and her
3 father on her behalf, right, because Arie is still
4 suing your client. Right?

5 MR. DELLAPORTAS: Uh-huh.

6 THE COURT: You know, and part of why
7 he may be suing them is because he cares about his
8 daughter, too. I mean there's all the other hate
9 stuff which, again, I think is really -- I think any
10 of them who are doing it for those reasons really are
11 going to regret it. And that's a human dynamic.

12 But he also, if you're talking more
13 human -- one of the things he may be concerned about
14 is that his daughter got shorted; that he built wealth
15 up over time, he was hoping for his children to
16 benefit from, and that one of them is coming out --
17 now maybe he knows that she got now twice as much as
18 Sagi. That doesn't seem -- I understand there could
19 be substantial amounts of money, but "substantial"
20 doesn't mean that that's necessarily so.

21 But I think you got to get to -- you
22 got to start, all of you. And, you know, there's no
23 mail-in representations here. Don't act like I'm --
24 because I'm not going to leave you alone. Because

1 you're not leaving me alone. You keep coming back
2 with these memory tests about the same darned thing.

3 And the thing about Orly getting out
4 from under Dalia probably has some real value. You
5 know? I mean -- and again, I don't know whether she
6 wanted an independent trustee, but I don't really
7 think, given the structure of this, that the Sagi
8 Trust ought to be whining if Orly wants to be her own
9 trustee, if that's possible. I'm sure Orly wants to
10 go her own way, just like Sagi does.

11 And so if your client, Dalia -- you
12 know, she's got to recognize that human dynamic. And
13 really, long-term, if what her motivation is is to
14 somehow repair her relationship with her daughter,
15 then sometimes it takes that act of grace to actually
16 step back and make the first move.

17 But part of why I'm asking you,
18 Mr. Dellaportas, to go through the litigation budget,
19 and part of why I'm asking counsel for Dalia to do the
20 same thing, is it's irrational not to put any price at
21 all on that.

22 And, look. I do, frankly, put a low
23 probability on the notion that a judge in New York is
24 going to conclude that Sagi won the Powerball.

1 Because who was going to get the 10.6 million? It was
2 going to be TPR?

3 MR. DELLAPORTAS: TPR is the seller of
4 the shares. I will say, just to be --

5 THE COURT: No, no, no. Actually, I
6 don't want you to go over and make a probably
7 technically very precise but equitably insensate
8 argument.

9 I -- again, there's like Woolley's
10 over on that shelf, and there are decisions by
11 Marvell, and cites and all. The idea that TPR could
12 sell that block, get 10.6 million, and be controlled
13 by Sagi, and that Sagi gets it all and Orly gets
14 zero --

15 MR. DELLAPORTAS: But, Your Honor,
16 that's the opposite of our intent. Our intent is to
17 stop being sued.

18 THE COURT: No, no, no.

19 MR. DELLAPORTAS: So we don't want to
20 be sued for the next five years, Your Honor, and incur
21 millions and millions. And at the same time, if we're
22 going to give up the 10.7 -- which we absolutely have
23 a legal entitlement to -- then in that case we'd like
24 to stop being sued. And it's not unreasonable for my

1 client not to have to be put through this.

2 THE COURT: Mr. Dellaportas, you just
3 went back -- what I just said, you just confirmed.
4 You just made an argument, a legally precise argument,
5 and what did I say it was going to be? Equitably
6 insensate.

7 MR. DELLAPORTAS: Your Honor, it's not
8 a legal argument.

9 THE COURT: No, no. Equitably
10 insensate. Do you understand what that means?

11 MR. DELLAPORTAS: Your Honor, Latin
12 was never my thing.

13 THE COURT: No? Well, I don't think
14 it's Latin so much, but maybe --

15 MR. DELLAPORTAS: But I think I
16 understand Your Honor's concept.

17 THE COURT: Here is the point. That
18 transaction in which those shares went to the Orly
19 Trust might have been void. I think I found it was
20 void. I think I found it was void more than once. I
21 agreed with -- you know, I don't always go back and
22 read myself and I agree with it, but usually I do.
23 And, actually, I'm kind of like, "Man, that sounds
24 pretty good." I must have been smarter when I wrote

1 that or something.

2 But I agree with your position. See,
3 here's a -- we're a court of equity. The fact that
4 something's legally void and, therefore, ownership
5 returned to somebody doesn't mean that that someone
6 has the authority to deal with that property, sell it,
7 get proceeds, and keep it for itself. That is what
8 equity is about. The term "beneficial ownership" is a
9 term that comes out of the equitable concept of for
10 whose benefit are the shares held.

11 So what I'm saying about being
12 equitably insensate is you may have the world's
13 greatest technical/legal argument, but the English
14 Court of Chancery was created a long time ago. One of
15 the reasons I know that, Mr. Dellaportas, is that the
16 jurisdiction of this court was originally to exercise
17 all the jurisdiction of the English Court of Chancery
18 as of the time of the separation, and whatever
19 jurisdiction we're given since. So you wouldn't have
20 won on this purely legal argument in 1743 in my law
21 clerk's home country.

22 So when you keep saying, you know,
23 they should be grateful, what Orly's contention would
24 be -- and it's one that I'm telling you is a colorable

1 argument to someone grounded in the traditional
2 concepts of equity, which have acted as an overlay to
3 the purely legal for at least 500 -- it's probably 500
4 years -- is the minimum that the Orly Trust gets is
5 the price that Sagi negotiated for it. That's the
6 minimum.

7 The question that Orly raises, is that
8 what a faithful person would do when they were
9 exercising fiduciary power over property whose
10 equitable ownership was in someone else?

11 Now, you can check with Mr. Connolly.
12 Now, he's spent a lot of his career in criminal law,
13 but he's an extremely gifted lawyer, and I think he
14 will tell you that what I'm saying about equitable
15 principles is by no means something I just made up.

16 And so you need to focus on -- and
17 again, everybody should always come into something and
18 try to look at it a little bit from another's
19 perspective. That is, I believe, what Orly is going
20 to argue. Irrespective of whether the -- frankly, we
21 tried to beat the Trump Group and say that he
22 shouldn't have been able to sell this at all. Hey, we
23 lost on that.

24 But the one thing that's been clear,

1 and the Delaware judge -- I was clear on this from the
2 beginning: Dividing up the pie claims, whether your
3 client was a faithful -- whether what he did with
4 those proceeds was fair to others who may have had an
5 equitable entitlement to them, that was for the New
6 York courts. And so you want to keep that in mind,
7 because this idea, again, this free lunch concept that
8 this was just Sagi's greatest day, I --

9 MR. DELLAPORTAS: It's not a free
10 lunch, Your Honor. We just want some peace in
11 exchange for it.

12 THE COURT: No, no. Wait a minute.
13 Again, you're not -- you need to listen. When I first
14 heard what you were saying I kind of thought it was
15 reasonable. Then, when I realized what you were
16 trying to do was to require Orly to release anything
17 involving any lack of pro rata treatment or anything
18 like that, then it's not so immediately appealing.

19 That's also true in terms of Dalia.
20 Which is, to the extent that Orly has a reason to
21 believe that Dalia and Sagi were in regular contact
22 when all these transactions with the Trumps happened,
23 and Dalia was the trustee of Orly's trust and didn't
24 reflect Orly's view of the matter, I think you're back

1 to the same situation. I'm being very -- I agree with
2 you. I understand exactly why you want to look at
3 their settlement agreement, but I think you also have
4 got to get to a place where there might be a reason
5 for them to show it.

6 And if you're -- I'm just encouraging
7 everybody to be a little bit supple. I think Orly
8 would be being not very supple if she didn't realize
9 that she is in a different position than Sagi. She
10 put the Trumps through a lot, she put everybody
11 through a lot, and there's a price being paid for not
12 being certain.

13 On the other hand, the difference
14 between 27 million and 10.6 -- it's pretty big. And
15 you're giving no weight to that, that I can tell. And
16 maybe you're negotiating, but don't -- you know,
17 you're in front of a judge. And so, if you want to
18 take a -- I mean put it this way: You haven't gotten
19 even a whelming to me on the point of arguing that
20 there's no plausibility to the argument that Sagi had
21 a gesture of good faith to try to maximize the sale
22 proceeds for the beneficiaries of all the things,
23 regardless of whether the sales -- the original
24 transactions were void.

1 But I really am going to cut this off.
2 I appreciate, Mr. Dellaportas. I have a much better
3 understanding.

4 Mr. Anderson, I gave you guys the
5 chance, you know, to be here by phone. Let's next
6 time be here by phone.

7 And I want to hear back.

8 MR. ANDERSON: Thank you, Your Honor.

9 THE COURT: Thank you.

10 (Hearing concluded at 11:45 a.m.)

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REPORTER'S CERTIFICATE

I, JULIANNE LaBADIA, Official Court Reporter for
the Court of Chancery of the State of Delaware,
Registered Diplomate Reporter, Certified Realtime
Reporter, and Delaware Notary Public, do hereby
certify the foregoing pages numbered 3 through 76,
contain a true and correct transcription of the
proceedings as stenographically reported by me at the
hearing before the Chancellor of the State of Delaware,
on the date therein indicated.

IN WITNESS WHEREOF, I have hereunto set my hand
this 5th day of August, 2013, at Wilmington.

/s/ Julianne LaBadia

Julianne LaBadia
Official Court Reporter
Registered Diplomate Reporter
Certified Realtime Reporter
Delaware Notary Public